

## Message Text

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51

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 STR-08 PA-03 PRS-01

USIA-15 NSC-10 TAR-02 DRC-01 /142 W

----- 095030

R 141515Z SEP 73

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 708

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

AMEMBASSY PARIS

UNCLAS STOCKHOLM 3274

E.O.11652: N/A

TAGS: EFIN EIND SW

SUBJECT: VOLVO ANNOUNCES \$100 MILLION INVESTMENT IN US

REF: STOCKHOLM 3174

1. AS EXPECTED, PEHR GYLLENHAMMAR, MANAGING DIRECTOR OF VOLVO, ANNOUNCED COMPANY'S DECISION TO BUILD \$100 MILLION ASSEMBLY PLANT IN NEW TOWN OF CHESAPEAKE, VIRGINIA, AT PRESS CONFERENCE IN NEW YORK SEPTEMBER 13. SWEDISH PRESS AND TELEVISION GAVE WIDE COVERAGE TO CONFERENCE. GYLLENHAMMAR IS REPORTED TO EXPECT RIKSBANK APPROVAL OF INVESTMENT NEXT WEEK. QUOTED AS SAYING ONE-QUARTER OF INVESTMENT CAPITAL WILL COME FROM SWEDEN AND REMAINDER WILL BE BORROWED IN US, GYLLENHAMMAR ADDED THAT CONSTRUCTION WILL START NEXT MAY AND PRODUCTION WILL GET UNDERWAY BY END OF 1976. HE SAID MAJOR PART OF COMPONENTS WILL BE EXPORTED FROM SWEDEN. PLANT WILL ULTIMATELY EMPLOY 3,000 AMERICANS AND TURN OUT 100,000 CARS A YEAR.

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2. VOLVO IS CLEARLY SEEKING TO ALLAY ANY POSSIBLE CRITICISM

IN SWEDEN. IN PRESS CONFERENCE GYLLENHAMMAR HOPED THAT VOLVO  
EMPLOYEES HERE WOULD UNDERSTAND DECISION WAS ATTEMPT TO SECURE  
VOLVO POSITION IN US MARKET IN EVENT RISING CAR IMPORTS THERE  
PROMPTED HIKE IN US AUTOMOBILE TARIFFS; WITHOUT INVESTMENT IN  
US SUCH DEVELOPMENT COULD THREATEN THEIR JOBS IN SWEDEN.  
GYLLENHAMMAR ALSO CLAIMED THAT AMERICAN PLANT WOULD EVEN ADD  
100 JOBS AT VOLVO'S ENGINE PLANT IN SKOVDE, SWEDEN. WHILE  
AKNOWLEDGING THAT US PLANT WILL SLOW RATE OF INCREASE OF VALUE  
OF VOLVO EXPORTS, GYLLENHAMMAR PREDICTED THAT RATE WOULD NEVER-  
THELESS NOT FALL.  
OLSEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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